

BancOhio Corporation 1973 Annual Report

CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUR.
CORPORATION FILE



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BANCOHIO CORPORATION
51 North High Street
Columbus, Ohio 43216

NASDAQ Symbol: BOHI

Transfer Agent:
THE OHIO NATIONAL
BANK OF COLUMBUS
51 North High Street
Columbus, Ohio 43216

ABOUT THE ANNUAL REPORT: In the 1973 Annual Report, BancOhio presents photographs of Ohio landmarks taken within the market areas served by ten of BancOhio's affiliate banks.

Cover

*Picturesque view of the
Muskingum River through
Zanesville, Ohio's capital from
1810 to 1812.*

The next meeting of shareholders of BancOhio Corporation will be held at 10:00 a.m. on March 27, 1974 at the Neil House Motor Hotel, Columbus, Ohio. All shareholders are invited to attend. Those who cannot be present are urged to sign their proxies and to return them promptly.

Financial Highlights

FOR THE YEAR	1973	1972	Increase (Decrease)
Income before Securities Gains (Losses)	\$ 18,893,211	\$18,466,711	\$426,500
Per Share	2.62	2.56	.06
Net Income	18,755,501	19,511,554	(756,053)
Per Share	2.60	2.71	(.11)
Cash Dividends	6,908,952	6,288,005	620,947
Per Share	.96	.92	.04
AT YEAR-END			
Assets	\$3,080,657,114	\$2,617,099,719	\$463,557,395
Deposits	2,392,832,829	2,227,699,178	165,133,651
Loans	1,546,791,121	1,219,845,329	326,945,792
Reserves for Possible Loan Losses	24,958,047	21,093,145	3,864,902
Shareholders' Equity	186,434,584	176,644,445	9,790,139
per share	25.83	24.47	1.36
Affiliate Banks	37	32	5
Banking Offices	182	151	31



Restored brick buildings enhance the mid-nineteenth century settlement of German Village in Columbus.

Letter to Shareholders

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In 1973 our Nation's economy experienced rapid expansion during the first quarter, moderate growth during the second quarter, and a significant slowing over the last half of the year. As controls failed to regulate inflation, the economy experienced the highest rate of price advance in twenty-two years. During the year, income, production, employment and interest rates established new records. Within this economic environment BancOhio Corporation achieved a record high in total resources which for the first time exceeded three billion dollars, a 17.5 per cent increase over 1972.

Before securities gains or losses in 1973, consolidated income rose 2.3 per cent to \$2.62 per common share, as compared to \$2.56 per share in 1972. Consolidated net income, after securities gains or losses, was \$2.60 per share. Earnings achieved only modest increases in 1973 as a result of the high cost of interest-bearing lendable funds. BancOhio affiliate banks attempted to maintain realistic charges for prime commercial loans in spite of continued heavy loan demand. However, monetary authorities allowed the cost of lendable funds to increase to significantly higher levels. Indicators show that this adverse relationship between asset yield and funds costs should improve in 1974.

Earnings figures have been adjusted for the four per cent stock dividend paid in December 1973 for the eighth consecutive year.

Economic projections for 1974 reflect the uncertainties of 1973 relating to the energy crisis and unemployment. In spite of this projected slowdown in economic growth nationally, Ohio is well-positioned in terms of energy sources. The State is dependent on coal for 96 per cent of its electric power, and Ohio has coal reserves sufficient to fuel every generating plant in the State for the next one thousand years, or heat every dwelling unit in Ohio for the next eighteen hundred years. Too, Ohio is fortunate that its dependence on petroleum products is only approximately one-half the national average, while natural gas reserves not only supply a portion of these needs within the State, but also are exported beyond its boundaries.

Business activity in Ohio should remain healthy and virile through the coming year. This optimism is attributable to the continued strength of the capital goods sector since the composition of Ohio industry

reflects a greater than average emphasis on the production of capital goods. Included are basic metal products, durable goods and durable equipment and machinery.

A statewide banking organization, operating in the major population centers, BancOhio is uniquely oriented and positioned to serve the wide ranges of banking needs of both industry and consumer over the depth and breadth of Ohio.

The year 1973 recorded a substantial increase in growth by affiliation which continued into the new year with The Ohio State Bank of Medina, The Ohio State Bank of Vandalia, and The Cummings Bank Company, Carrollton, affiliating in January 1974. Combined with the five affiliations and two mergers into existing affiliates completed during 1973, BancOhio has doubled its market potential in population since year-end 1972. New BancOhio member banks affiliating in 1973 were: The Peoples Savings Bank Co., Delta; The Western Security Bank, Sandusky; The Capital National Bank, Cleveland; The Peoples National Bank of Greenfield; and The Citizens National Bank of Ironton. BancOhio through the affiliate banks now serves seven of Ohio's eight major metropolitan areas, since entering the Cleveland and Dayton areas in 1973 and 1974.

The Corporation anticipates the affiliation of an additional non-bank subsidiary, Midwest Econometrics, Inc., of Columbus, during 1974. On January 25, 1974 the Federal Reserve Board of Governors approved BancOhio's application to purchase controlling shares of Midwest Econometrics, an economic forecasting and consulting service. Ohio BancLease, Inc., incorporated in 1972, has contributed substantially to the stability of Corporate earnings as it has become well-established as an equipment leasing firm in Ohio as in other areas of the United States.

Accompanying BancOhio's exceptional growth during 1973, the Corporate staff developed and implemented a formalized profit planning program to include all affiliate banks and non-bank subsidiaries of BancOhio. By encompassing the management by objective approach, the entire organization is cognizant of the individual bank and Corporate goals and can better adapt to the changing banking conditions as well as to our dynamic environment.

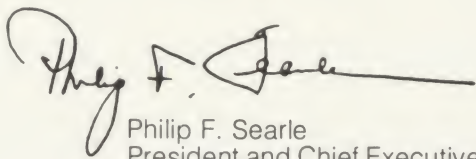
In October 1973, the BancOhio Board of Directors elected Alan D. Johnson of Chicago a vice president to direct the Investment Department succeeding

Greenville T. Pace, retiring after 37 years service to BancOhio. In December, the Directors elected Dan L. Huffer of Columbus to serve as Treasurer of the Corporation. These men were carefully selected to fill the positions so vital to the holding company.

In addition, membership changes have taken place within the Board of Directors since year-end 1972. In March shareholders elected three new Directors: Walter C. Mercer, president and chief executive officer of The Ohio National Bank of Columbus; Henry M. O'Neill, Jr., president and chairman of the board of Beverage Management, Inc., of Columbus; and Ralph J. Stolle, president of Stolle Corporation of Sidney and the Ralph J. Stolle Co. of Cincinnati, who retires from the Board in March 1974. In January 1974, the BancOhio Board named John B. Gerlach, president of Lancaster Colony Corporation, and William E. MacDonald, vice president of Ohio Bell Telephone Company, to fill the vacancies created on the Board by the resignations of Mr. Pace and John W. Wolfe.

The record of accomplishments as delineated in this Report dramatizes the leadership and the skill of our Boards of Directors, officers, and employees. Too, the excellent performance of BancOhio and its over 40 affiliates is the mark of the experience and dedication of the 4,500-plus officers and employees who are BancOhio Corporation.

Appreciation is extended not only to our staff and management, but also to our many customers for their loyalty and confidence. With this solid support, BancOhio is committed to accept the challenges of today as opportunities for the future.



Philip F. Searle
President and Chief Executive Officer



*The replica Cycle Shop of
Wilbur and Orville Wright,
south of Vandalia in Dayton's
Carillon Park.*







Data Processing

BancOhio's efforts in automation planning culminated in 1973 as the Corporation's data processing system expanded into corporate-wide computerization of banking applications which will continue through 1974. The new Honeywell model 6060 computer, replacing five medium scale computers, will be installed initially under the management of The Ohio National Bank of Columbus, BancOhio's largest affiliate.

Complete modernization of the state-wide BancOhio computer network will increase the effectiveness of all affiliate banks. A central information file will be developed in order to better respond to each affiliate bank customer's needs for such services as record inquiry and single statement banking.

An initial sub-center, one of several sub-centers to be located strategically around Ohio, was placed into operation in 1973 at The First National Bank of Newark. Sub-centers will collect information and transmit data via telephone lines direct to the principal Computer Center in Columbus.

In addition, BancOhio will offer bank processing services to correspondent banks and such customer services as payroll accounting and account reconciliation.

Automatic Dividend Reinvestment Service

Since the last Annual Report, a new service offered to BancOhio shareholders has added a new dimension to the cash dividends. More than 2,500 BancOhio shareholders now participate in the Automatic Dividend Reinvestment Service, whereby cash dividends systematically are reinvested in additional shares of BancOhio common stock.

In December 1973 a 25 cents per share cash dividend was paid, of which more than \$99,000 was reinvested by 2,816 shareholders purchasing additional shares of BancOhio stock. At that time 398,969 shares were enrolled in dividend reinvestment. From March 28, 1973 when the Corporation introduced dividend reinvestment, approximately \$300,000 has been reinvested.

The service is strictly voluntary to all BancOhio shareholders who may also choose to increase their BancOhio investment through utilization of additional cash payments. All expenses of Automatic Dividend Reinvestment are paid by BancOhio ex-

cept a brokerage commission cost spread among the participants through the block purchase of the stock.

At year-end 1973, BancOhio reported 7,218,014 shares outstanding. On the same date, there were 13,545 BancOhio shareholders located in 86 Ohio counties and 49 of the United States as well as many foreign countries. Shareholders follow quotations of BancOhio stock daily in the *Wall Street Journal*, *New York Times*, *American Banker* and most major Ohio daily newspapers. BancOhio's symbol for automatic quotation by the National Association of Securities Dealers is *BOHI*.

Services

During 1973, The Ohio National Bank of Columbus conducted feasibility studies on electronic teller terminals through the installation of this equipment in three test offices. The teller terminals, installed at the teller's cage, speed up the time of customer transactions as well as providing immediate and accurate records for the customer and for the bank.

Many in-house benefits are derived with the electronic teller machines when programmed with the computer: work measurement, audit control, as well as operational efficiency at a reduced cost. Decisions as to future installation at Ohio National Bank and other BancOhio affiliate banks will be determined at the conclusion of this in-depth customer service modernization research.

Several BancOhio affiliates took further steps into modern banking with the installation of automated banking machines, under the BancOhio registered mark "Anytime Bank." Anytime Banks, which perform over ten different banking services day or night everyday, were first placed into operation by The Ohio National Bank of Columbus and The First National Bank of Newark. Other BancOhio affiliate banks offering Anytime Bank services are The First National Bank of Springfield, The Hocking Valley National Bank of Lancaster and Akron National Bank and Trust Company. Future Anytime Banks have been planned for The Ohio State Bank, Columbus, The National Bank of Portsmouth, and The Citizens National Bank in Zanesville.

New Facilities

Announcement was made in January 1974 of plans for a new 25-story complex in Columbus, Ohio,

which will house the home offices of BancOhio Corporation and the holding company's lead bank, The Ohio National Bank of Columbus. To be known as the Ohio National Plaza on Capitol Square, the structure will be the first financial, office and shopping complex in Columbus. A Spring 1974 groundbreaking will initiate construction of the Ohio National Plaza complex which will include a spacious and unique bank lobby, an office tower, and an arcade of specialty shops as well as in-building parking facilities.

The tower building will contain 400,000 gross square feet of which about 180,000 rentable square feet will be available for tenant leasing at move-in time. BancOhio and Ohio National Bank will use the remainder of the tower building. The adjoining commercial building of 46,000 square feet is for retail use and restaurant facilities. The entire complex, excluding land, has been estimated at \$25 million including interest cost during interim construction period. Furniture and fixtures for BancOhio and Ohio National Bank have been estimated at \$1.5 million.

As markets grow and change, so must the banks grow and move in order to provide the most modern services in the most convenient locations for the customers. To meet these standards, BancOhio affiliate banks have completed more than 20 renovations and building projects during the year for a combined cost of nearly \$3 million.

Expansions and new offices completed for BancOhio affiliates in northern Ohio included: The Adams Bank, Millersburg, new drive-in facility; The Citizens Banking Company, Perrysburg, Main Office remodeling; First National Bank of Coshocton, drive-in system and Main Office remodeling; The Niles Bank Company, remodeling of McKinley Plaza Office; The Capital National Bank, Cleveland, new Lyndhurst and North Royalton Offices.

In central and southern Ohio, The First National Bank of Newark, The First National Bank of Chillicothe, The First National Bank of Springfield, and The Hocking Valley National Bank of Lancaster completed expansions and remodeling of present banking offices. In addition new office buildings were constructed for The First National Bank of Springfield, West Office, The National Bank of Portsmouth, Sciotoville Office, The Farmers and Merchants Bank of Logan, Main Office, and The Ohio State Bank, Columbus, New Albany Office.

In Columbus, The Ohio National Bank opened its

35th and 36th branch offices in Reynoldsburg and on East Broad Street in the Motorists Mutual Office Building.

Personnel

As a large statewide organization, expanding operations through affiliations and internal growth, BancOhio can provide the training and advancement opportunities, insurance, medical and retirement benefits with greater facility and on a more cost effective basis than could a small organization or bank. During 1973, BancOhio paid \$715,000 to employees in life and health insurance claims. The staff and management now number over 4,500.

BancOhio's liaison with its subsidiaries has provided a flexible structure so that Boards of Directors of each affiliate have been able to strengthen their own organizations. In 1973, 103 received advancements of which 52 were new officer promotions. Senior management changes during the year include:

Robert Cole to president and director of The First National Bank at East Palestine;

R. Duane Lillibridge to president and director of Citizensbank, N.A., Loveland, from The Hocking Valley National Bank of Lancaster;

William Rowe to president and director of The Peoples National Bank of Greenfield.

On October 12, Greenville T. Pace retired as senior vice president and a director of BancOhio. Alan D. Johnson, vice president, succeeds him as head of investment activities. In December 1973, a new treasurer of BancOhio, Dan L. Huffer, was appointed by the Directors. Other internal changes with BancOhio were promotions of James R. Anspaugh, W. Alex Cook, Lester Vincent, Larry Wesley and Gary Estep to assistant vice presidents, James V. Strickland to loan officer, O. J. Iacoboni to operations officer, L. Gerald Jackson to marketing officer, and Ronald Barienbrock and David Connolly to personnel officers. Jon Corzine and Richard Brigden were appointed as assistant vice presidents in the Investment Department effective January 2, 1974.

Ohio BancLease

Ohio BancLease, Inc., incorporated in 1972 as a wholly-owned equipment leasing subsidiary of BancOhio, has completed its first full year of operation.

The acceptance of the leasing concept throughout the BancOhio market area has surpassed all expectations. During the year 1973, equipment purchased for lease exceeded \$32 million, including several leveraged leases. The latter transactions are reflected in the financial statements on a net investment basis. These leases involve a wide variety of equipment in the professional, commercial and industrial segments of our economy.

The function of Ohio BancLease is two-fold. As a service corporation, it provides all affiliate banks with documentation and servicing of leases which the bank may place in its portfolio. In addition, Ohio BancLease invests in leases for its own account.

This added service made available through the formation of Ohio BancLease has enabled the BancOhio affiliated bank to offer its customer a much sought-after method of financing to acquire productive equipment.

Midwest Econometrics

As the economy continues to fluctuate, governments, businesses, and financial institutions search for information to predict future economic conditions. Midwest Econometrics, Inc., of Columbus, provides this service as an economic forecasting and consulting service offering a varying range of market area studies including regional data banks and regional economic models.

The Federal Reserve Board of Governors has approved BancOhio's application to acquire controlling shares of Midwest Econometrics so that BancOhio may affiliate the firm as a non-bank subsidiary.

In Ohio, In the Nation

During 1973, BancOhio acquired: The Peoples Savings Bank Co., Delta; The Western Security Bank, Sandusky; The Capital National Bank, Cleveland; The Peoples National Bank of Greenfield; and The Citizens National Bank of Ironton. Three more bank affiliations were completed in January 1974: The Ohio State Bank of Medina, a new bank to be opened in 1974; The Ohio State Bank of Vandalia, formerly named The Imperial State Bank; and The Cummings Bank Company, Carrollton.

In addition, two banks were merged into BancOhio affiliates: Citizensbank, Felicity, into BancOhio's Loveland bank forming Citizensbank, National Association, Loveland; and The Farmers State Bank of Lyons into The Peoples Savings Bank Co., Delta.

These expansions have greatly strengthened BancOhio's position as the largest multi-bank holding company in Ohio, as well as improving its competitive market potential by serving seven of Ohio's eight major metropolitan areas. The growth since 1969 is reflected in the number of banks affiliated at year-end 1973 of 37 banks operating 182 banking offices as compared to 22 affiliate banks operating 88 banking offices on the same date in 1969.

More than 60 per cent (6.7 million) of Ohio's total population live within the counties served by BancOhio affiliate banks. Total bank deposits in these BancOhio counties represent 70 per cent (more than \$14 billion) of the total bank deposits for all of Ohio, and retail sales in these counties exceeds 60 per cent of Ohio's total dollar volume of retail sales.

While these expansions and increased growth potential were in great part experienced during 1973, BancOhio's report as of year-end 1972 earned BancOhio Corporation recognition nationally as the 43rd largest banking company (Fortune Directory) and the 114th largest of all United States corporations (Forbes 500).



January

- The Adams Bank, Millersburg, opens new Drive-in Office.
- BancOhio's Loveland affiliate merges with Felicity bank to form the new Citizensbank, National Association, Loveland, an affiliate of BancOhio.
- BancOhio Directors declare cash dividend of twenty-five cents per share.
- The Ohio National Bank of Columbus opens new Reynoldsburg Office.

February

- The Peoples Savings Bank Co, Delta, affiliates with BancOhio.
- The Western Security Bank, Sandusky, affiliates with BancOhio.
- The First National Bank of Springfield opens new West Office.
- BancOhio conducts Investment Seminar.

March

- BancOhio announces new Automatic Dividend Reinvestment Service for BancOhio shareholders.
- Shareholders meet in Columbus for BancOhio Annual Meeting and elect new Directors.

April

- BancOhio Directors declare cash dividend of twenty-five cents per share.
- The National Bank of Portsmouth opens new Sciotoville Office Building.
- The Capital National Bank, Cleveland, affiliates with BancOhio.

May

- *Forbes* magazine ranks BancOhio 114th in asset size of the 500 largest United States corporations.
- The Ohio National Bank of Columbus opens new Motorists Mutual Office.

June

- The Capital National Bank, Cleveland, opens new office in Lyndhurst.
- The Peoples National Bank of Greenfield affiliates with BancOhio.
- The Farmers and Merchants Bank of Logan opens new Main Office building.

July

- Stephen Kohn, Ohio Superintendent of Banks, addresses officers and directors of BancOhio and affiliate banks in Columbus for Annual Directors Seminar.
- *Fortune* magazine Directory again lists BancOhio among the 50 largest banking companies in the United States.
- The Capital National Bank, Cleveland, opens a new office in North Royalton.
- BancOhio Directors declare cash dividend of twenty-five cents per share.

October

- Philip F. Searle is honored by the *American Banker* newspaper for delivering the Speech of the Year for the banking industry.
- Newcomen Society in North America honors BancOhio in Columbus.
- BancOhio Directors declare cash dividend of twenty-five cents per share and a four per cent stock dividend.

November

- The Citizens National Bank of Ironton affiliates with BancOhio.

December

- The Farmers State Bank of Lyons merges with The Peoples Savings Bank Co., BancOhio's Delta affiliate.
- The Ohio State Bank, Columbus, opens new building for New Albany Office.

In 1974

January

- The Ohio State Bank of Medina affiliates with BancOhio.
- The Ohio State Bank of Vandalia affiliates with BancOhio.
- The Cummings Bank Company, Carrollton, affiliates with BancOhio.
- Acquisition of Midwest Econometrics, Inc., by BancOhio is approved by Board of Governors of the Federal Reserve System.

Earnings

Consolidated income of BancOhio, the affiliated banks and non-bank subsidiaries, before securities gains or losses, increased to \$18,893,211 compared with \$18,466,711 in 1972. The growth of 2.3 per cent in earnings per share amounted to \$2.62 per share in 1973 and \$2.56 per share in 1972.

After securities gains or losses, consolidated net income amounted to \$18,755,501 or \$2.60 per common share which compares with \$19,511,554 or \$2.71 per common share in 1972.

Earnings results, adjusted for the stock dividend paid in December, have been computed on the average shares outstanding in each year which were 7,218,214 in 1973 and 7,200,693 in 1972.

Substantial increases were experienced in interest earned on loans from \$83,419,017 in 1972 to \$115,164,296 in 1973. Consolidated gross operating revenue rose 32.4 per cent to \$186,992,760. Total consolidated operating expenses rose 38.8 per cent to \$166,117,549 in 1973, of which the cost of funds borrowed increased nearly 400 per cent.

Dividends

BancOhio Corporation paid four quarterly cash dividends of 25 cents per share to shareholders during 1973 for a total of \$6,908,952 as compared to \$6,288,005 in 1972. Total cash dividends per common share were 96 cents in 1973 and 92 cents in 1972, adjusted for the stock dividend of four per cent paid in both years.

Capital Funds

Capital funds at December 31, 1973 totaled \$186,434,584 or \$25.83 per common share compared to \$176,644,445 or \$24.47 per common share on December 31, 1972. Combined capital surplus and loan reserves now equal \$29.29 per share contrasted with \$27.40 at year-end 1972.

In 1973, the Corporation exchanged 295,698 shares of its common stock for the capital stock of The Peoples Savings Bank Co., Delta, The Western Security Bank, Sandusky, and The Peoples National Bank of Greenfield. Included in this figure is the stock exchange with The Farmers State Bank of Lyons which was merged into the Delta affiliate. An additional 271,367 shares were issued in payment of

the four per cent stock dividend declared in November 1973.

Loans and Deposits

The consolidated loan accounts of the banks increased 27 per cent from December 31, 1972 to December 31, 1973, to a total of \$1,546,791,121 at year-end 1973.

Corporate-wide, BancOhio affiliate banks experienced an unprecedented demand for commercial and consumer loans during 1973.

Competition for the savings dollar was strong during 1973 as interest rates rose significantly. Time and other savings increased 20 per cent reaching \$1,481,207,749 by December 31, 1973. Demand deposits for the affiliate banks reached \$911,625,080 at year-end 1973. Total deposits of \$2,392,832,829 at December 31, 1973 represented an increase of \$165,133,651 over total deposits at year-end 1972.

Investments

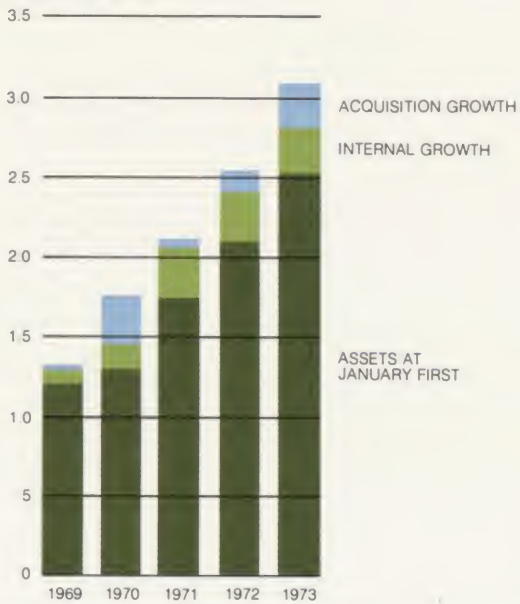
The consolidated investment portfolio of the Corporation and all subsidiaries increased by \$24.7 million during 1973 to \$1,057,714,663 at December 31, 1973. However, the total portfolio represented only 34.3 per cent of total assets at year-end 1973, down from 39.5 per cent the year earlier.

The major portfolio activity in the first half involved the liquidation of intermediate maturity U. S. Treasury securities in the face of rising loan demands and expectations of higher interest rates. During the second half the major activity involved increasing the portfolio of state and municipal securities, and modestly extending the maturity structure within that portfolio to take advantage of the historically high interest rates available at that time. At the end of 1973, state and municipal securities totaled \$461 million, up \$136 million on the year; while U. S. Treasury securities totaled \$419 million, down \$121 million from December 31, 1972.

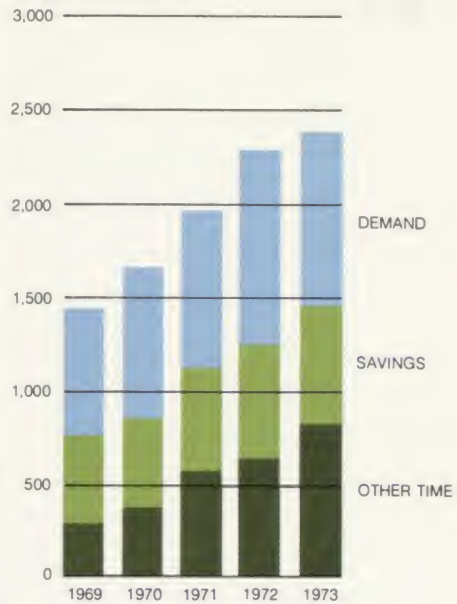
These efforts resulted in a record taxable equivalent income yield on the consolidated portfolio of 7.02 per cent for 1973, up from 6.34 per cent for 1972. An indication of favorable 1974 portfolio income was a 7.50 per cent yield for the month of December 1973 versus 6.53 per cent during December 1972.

ASSET GROWTH

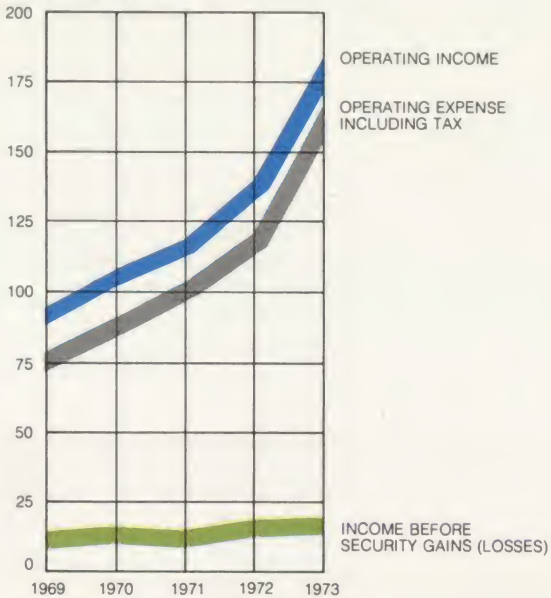
BILLIONS OF DOLLARS

**TOTAL DEPOSITS**

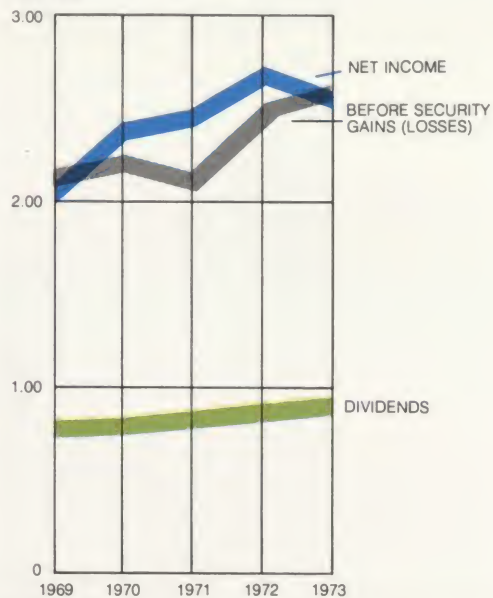
MILLIONS OF DOLLARS

**FINANCIAL RESULTS**

MILLIONS OF DOLLARS

**EARNINGS PER SHARE**

DOLLARS



Consolidated Balance Sheet

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	DECEMBER 31,	
	1973	1972
ASSETS		
CASH AND DUE FROM BANKS	\$ 335,025,928	\$ 265,705,585
SECURITIES (Note 3):		
U. S. Treasury securities	418,557,882	539,759,017
Obligations of other U. S. government agencies	105,601,118	102,039,304
Obligations of states and political subdivisions	461,015,946	324,414,374
Other securities	72,539,717	66,746,305
Total securities	1,057,714,663	1,032,959,000
FUNDS SOLD	40,655,000	33,425,000
LOANS	1,546,791,121	1,219,845,329
DIRECT LEASE FINANCING	16,707,936	5,903,418
BANKING PREMISES AND EQUIPMENT — Less		
accumulated depreciation (Note 4)	48,481,180	43,437,258
INTEREST RECEIVABLE	23,457,624	14,800,990
OTHER ASSETS	11,823,662	1,023,139
TOTAL	<u>\$3,080,657,114</u>	<u>\$2,617,099,719</u>
LIABILITIES, RESERVES, AND SHAREHOLDERS' EQUITY		
DEMAND DEPOSITS	\$ 911,625,080	\$ 994,960,598
TIME AND SAVINGS DEPOSITS	1,481,207,749	1,232,738,580
Total deposits	2,392,832,829	2,227,699,178
FUNDS BORROWED	346,602,097	97,893,125
UNEARNED LOAN INCOME	78,208,249	53,669,443
INTEREST, TAXES, AND OTHER LIABILITIES	26,621,308	15,100,383
7% NOTES PAYABLE, DUE IN 1979	25,000,000	25,000,000
Total liabilities	2,869,264,483	2,419,362,129
RESERVE FOR POSSIBLE LOAN LOSSES (Note 5)	24,958,047	21,093,145
SHAREHOLDERS' EQUITY:		
Capital stock:		
Preferred stock—\$25.00 par value;		
800,000 shares authorized but unissued		
Common stock—\$6.66 ² / ₃ par value; authorized 10,000,000 shares,		
outstanding 1973—7,218,014 shares, 1972—6,946,647 shares		
(Notes 2 and 7)	48,120,115	46,311,001
Capital surplus	86,320,887	81,527,341
Retained earnings	51,993,582	48,806,103
Total shareholders' equity	186,434,584	176,644,445
TOTAL	<u>\$3,080,657,114</u>	<u>\$2,617,099,719</u>

See Notes to Financial Statements

Consolidated Statement of Income

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	YEAR ENDED DECEMBER 31,	
	1973	1972
OPERATING INCOME:		
Interest on loans	\$115,164,296	\$ 83,419,017
Income on funds sold and securities purchased under agreements to resell	6,021,206	2,151,718
Interest and dividends on:		
U. S. Treasury securities	24,843,170	22,492,850
Obligations of other U. S. government agencies	5,721,009	5,022,056
Obligations of states and political subdivisions	16,498,897	14,226,243
Other securities	4,524,600	3,090,528
Service charges on deposit accounts	4,412,587	4,136,773
Other operating income	9,806,995	6,742,816
Total operating income	<u>186,992,760</u>	<u>141,282,001</u>
OPERATING EXPENSES:		
Salaries and wages	29,374,727	25,703,756
Pensions and other employee benefits	4,218,808	3,680,874
Interest on deposits	76,039,971	56,971,135
Interest on other funds borrowed	23,498,425	6,017,323
Interest on 7% notes	1,790,833	1,104,688
Depreciation	2,538,979	2,048,595
Provision for loan losses (Note 5)	3,390,742	1,873,135
Taxes other than income taxes	4,676,115	3,844,448
Other operating expenses	20,588,949	18,445,336
Total operating expenses	<u>166,117,549</u>	<u>119,689,290</u>
INCOME BEFORE INCOME TAXES AND SECURITIES GAINS (LOSSES)	20,875,211	21,592,711
APPLICABLE INCOME TAXES (REFUND) (Note 6):		
Current	(2,159,000)	1,892,000
Deferred	4,141,000	1,234,000
Total	<u>1,982,000</u>	<u>3,126,000</u>
INCOME BEFORE SECURITIES GAINS (LOSSES)	18,893,211	18,466,711
SECURITIES GAINS (LOSSES) — Less related income taxes (refund), 1973 — \$(133,821); 1972 — \$958,600	(137,710)	1,044,843
NET INCOME	<u>\$18,755,501</u>	<u>\$ 19,511,554</u>
EARNINGS PER COMMON SHARE:		
Average shares outstanding	<u>7,218,214</u>	<u>7,200,693</u>
Income before securities gains (losses)	\$2.62	\$2.56
Securities gains (losses)	(.02)	.15
Net income	<u>\$2.60</u>	<u>\$2.71</u>

See Notes to Financial Statements

Consolidated Statement of Shareholders' Equity

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	COMMON STOCK		CAPITAL	RETAINED
	SHARES	AMOUNT	SURPLUS	EARNINGS
YEAR ENDED DECEMBER 31, 1972:				
Balance, January 1, 1972:				
As previously reported	6,358,982	\$42,393,234	\$73,088,418	\$42,438,252
Poolings of interests	<u>295,698</u>	<u>1,971,321</u>	<u>2,133,617</u>	<u>1,810,337</u>
As restated	6,654,680	44,364,555	75,222,035	44,248,589
Net income				19,511,554
Transfer to reserve for possible loan losses				(1,046,806)
Dividends paid:				
Cash (\$.92 per share)				(6,288,005)
Stock (4%)	250,334	1,668,893	5,311,159	(7,137,966)
Transactions applicable to pooled subsidiaries	41,633	277,553	994,147	(525,500)
Other adjustments	<u> </u>	<u> </u>	<u> </u>	<u>44,237</u>
BALANCE, DECEMBER 31, 1972 ...	6,946,647	46,311,001	81,527,341	48,806,103
YEAR ENDED DECEMBER 31, 1973:				
Net income				18,755,501
Transfer to reserve for possible loan losses				(1,985,017)
Dividends paid:				
Cash (\$.96 per share)				(6,908,952)
Stock (4%)	271,367	1,809,114	4,793,546	(6,736,483)
Transactions applicable to pooled subsidiaries				(25,750)
Other adjustments	<u> </u>	<u> </u>	<u> </u>	<u>88,180</u>
BALANCE, DECEMBER 31, 1973 ...	<u>7,218,014</u>	<u>\$48,120,115</u>	<u>\$86,320,887</u>	<u>\$51,993,582</u>

See Notes to Financial Statements

Consolidated Statement of Changes in Financial Position

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	YEAR ENDED DECEMBER 31,	
	1973	1972
SOURCE OF FUNDS:		
Net income	\$ 18,755,501	\$ 19,511,554
Non-cash charges to income	10,127,394	5,155,730
Funds provided from operations	28,882,895	24,667,284
Increase in deposits	30,185,461	254,649,271
Increase in funds borrowed	247,352,825	53,365,187
Sale of 7% notes due in 1979		25,000,000
Other		2,663,783
Decrease in securities	17,026,512	
TOTAL	<u>\$323,447,693</u>	<u>\$360,345,525</u>
APPLICATION OF FUNDS:		
Increase in loans	\$243,216,951	\$210,909,549
Purchase of affiliated banks	12,000,800	
Increase in securities		98,089,110
Cash dividends paid	6,908,952	6,288,005
Additions to banking premises and equipment	5,849,620	10,028,516
Increase in funds sold	1,430,000	23,858,290
Other	627,514	
Increase in cash and due from banks	53,413,856	11,172,055
TOTAL	<u>\$323,447,693</u>	<u>\$360,345,525</u>

See Notes to Financial Statements

Notes to Financial Statements

1. Summary of Significant Accounting and Reporting Policies

The accounting and reporting policies of BancOhio Corporation conform to generally accepted accounting principles and to general practices within the banking industry. The following is a summary of the significant policies.

Basis of Presentation

The consolidated financial statements include the accounts of BancOhio Corporation and its affiliated banking and nonbanking subsidiaries. All significant intercompany transactions have been eliminated.

Securities

Investment securities are carried in the consolidated balance sheet at cost, adjusted for amortization of premiums. Bond discount has not been accreted because it is not significant.

Banking Premises and Equipment

Banking premises and equipment are stated at cost less accumulated depreciation. Depreciation charged to operating expense is computed using the sum-of-the-years digits and straight-line methods over the estimated useful lives of the assets.

Income Taxes

There are certain income and expense amounts in the financial statements that are recognized in different time periods for income tax purposes, primarily depreciation, accretion of discount on U.S. Treasury Bills and provision for loan losses. Appropriate provisions for deferred income taxes are made in recognition of such timing differences. The investment tax credit on direct lease financing transactions is deferred and amortized to income over the investment recovery period. For other property, the investment credit is accounted for as a reduction of the current provision for income taxes.

Reserve For Possible Loan Losses

The addition to the reserve for possible loan losses charged to operating expense by the affiliated banks is an amount equivalent to the ratio of losses computed on the basis of five-year average net charge-offs to total loans outstanding. The additional amount transferred to this reserve from retained earnings is generally based upon the maximum allowed for tax purposes.

Other

Interest income on installment loans is generally recognized on the straight-line method.

Income on finance leases is recognized on a basis to achieve a level rate of return on the net lease investment over the investment recovery period for leveraged leases and over the life of all other leases. The estimated residual value of leased property (which does not exceed 10% of original cost at initiation of the lease) is recognized over the life of the related leases.

2. Acquisitions

In 1972 BancOhio acquired substantially all of the capital stock of The Niles Bank Company, The Ohio Savings and Trust Company, New Philadelphia, and The Central National Bank, Cambridge, in exchange for 99,699, 64,975, and 110,159 shares, respectively, of the Corporation's common stock. These transactions have been accounted for as poolings of interests and, accordingly, the consolidated finan-

cial statements have been restated to include those banks for all periods.

In addition, The Peoples Bank, Thornville, was merged into the Perry County Bank, New Lexington, an affiliate, in January 1972 and The Johnstown Bank was merged into The First National Bank, Newark, an affiliate, in August 1972. These mergers were accounted for as poolings of interests and resulted in the issuance of 14,139 and 27,494 shares of the Corporation's common stock. The financial statements have not been restated to include these banks since the effect would not be material on the consolidated financial statements.

In 1973 BancOhio purchased all of the capital stock of Citizensbank National Association, Felicity, in January, The Capital National Bank, Cleveland, in April, and The Citizens National Bank of Ironton in November, for \$1,000,000, \$8,500,800, and \$2,500,000, in cash, respectively. Results of operations are included in the financial statements since the respective dates of acquisition. The excess of cost over equity in the net assets acquired of \$3,749,046 is being amortized over a forty-year period.

Also in 1973, BancOhio acquired all the capital stock of The Peoples Savings Bank Company, Delta, The Western Security Bank, Sandusky, and The Peoples National Bank of Greenfield for 36,391, 194,317, and 54,590 shares of the Corporation's common stock. In addition, The Farmers State Bank of Lyons was acquired for 10,400 shares of the Corporation's common stock and was merged into The Peoples Savings Bank Company, Delta, an affiliate. These transactions have been accounted for as poolings of interests and, accordingly, the financial statements have been restated to include those banks for all periods.

The Corporation has agreed (subject to certain conditions, including approval of various regulatory authorities) to acquire substantially all of the outstanding stock of the Cummings Bank Company of Carrollton and The Imperial State Bank of Vandalia in exchange for an aggregate of approximately 85,000 shares of BancOhio's common stock. These acquisitions were consummated in January 1974 and will be accounted for as poolings of interests.

The aforementioned acquisitions are not material to the consolidated financial condition or results of operations of the Corporation and, accordingly, their effect is not separately shown.

3. Securities

The estimated market value of securities at December 31, 1973 and 1972 was as follows:

	1973	1972
U.S. Treasury securities	\$ 404,274,000	\$ 532,809,000
Obligations of other U.S. government agencies	102,768,000	101,738,000
Obligations of states and political subdivisions	449,104,000	317,392,000
Other securities	69,261,000	66,393,000
Total	<u>\$1,025,407,000</u>	<u>\$1,018,332,000</u>

At December 31, 1973 and 1972, investment securities carried at \$602,224,611 and \$612,179,601, respectively, were pledged to secure public deposits and for other purposes, as required by law.

4. Banking Premises and Equipment

The major categories of banking premises and equipment and accumulated depreciation at December 31, 1973 and 1972 were as follows:

	1973	1972
Land	\$14,938,891	\$13,729,914
Buildings and improvements ..	40,065,357	36,696,291
Equipment	14,193,358	11,682,691
Total	69,197,606	62,108,896
Less accumulated depreciation ...	20,716,426	18,671,638
Banking premises and equipment—net	\$48,481,180	\$43,437,258

The Corporation and its subsidiaries have entered into noncancellable lease agreements with respect to bank premises and equipment. The minimum annual rental commitment under these leases, exclusive of taxes and other charges payable by the lessees, is 1974 - \$1,877,000, 1975 - \$1,789,000, 1976 - \$1,713,000, 1977 - \$1,560,000, 1978 - \$1,140,000, 1979-83 - \$2,849,000, 1984-88 - \$2,027,000, 1989-93 \$1,809,000, and 1994 and subsequent - \$139,000.

Total rental expense for the years ended December 31, 1973 and 1972, including cancellable and non-cancellable leases, was approximately \$2,274,000 and \$1,892,000, respectively.

5. Reserve for Possible Loan Losses

Transactions in the Reserve for Possible Loan Losses for 1973 and 1972 are summarized as follows:

	1973	1972
Balance at beginning of year (including \$1,074,543 and \$1,045,514 applicable to pooled subsidiaries)	\$21,093,145	\$19,691,355
Add (deduct):		
Incident to acquisitions of non-pooled banks	1,173,449	83,041
Provision charged to operating expenses	3,390,742	1,873,134
Transferred from retained earnings and related deferred tax (1973 - \$1,832,324; 1972 - \$964,856)	3,817,341	2,011,662
Losses charged to reserves less recoveries of \$1,125,305 and \$968,734 on loans previously charged-off	(4,516,630)	(2,566,047)
Balance at end of year	\$24,958,047	\$21,093,145

The Reserve for Possible Loan Losses at December 31, 1973 is composed of a valuation portion arising from charges to operations (\$15,149,762) and a contingency portion (\$9,808,285). Any loan losses charged to the reserve in excess of the valuation portion would require an additional charge to net income to restore the reserve.

6. Federal Income Taxes

Taxable income is less than income for financial reporting purposes due primarily to tax-free interest on state and municipal obligations.

The investment tax credit on direct lease financing transactions for the year ended December 31, 1973 was \$730,000. Such credit is deferred and amortized to income but will be taken currently for income tax purposes.

7. Capital Stock

The increase in capital stock results from the issuance of shares in connection with the 4% stock dividend (1973 - 271,367, 1972 - 250,334), and the shares issued in connection with the various acquisitions.

8. Pension Plans

Substantially all employees of the Corporation and the affiliated banks are eligible to participate in non-contributory trustee pension plans. Payments to pension funds and pension expense, including amortization of prior service cost over approximately ten years, for the years ended December 31, 1973 and 1972 were \$1,191,000 and \$1,354,000, respectively.

9. Commitments and Contingent Liabilities

In the normal course of business there are outstanding various commitments and contingent liabilities, such as guarantees, commitments to extend credit, etc., which are not reflected in the accompanying financial statements. The Corporation does not anticipate losses as a result of these transactions. ■

Auditors' Opinion

To the Shareholders and Directors of
BancOhio Corporation:

We have examined the consolidated balance sheet of BancOhio Corporation and subsidiaries as of December 31, 1973 and 1972 and the related consolidated statements of income, shareholders' equity, and changes in financial position for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of BancOhio Corporation and subsidiaries at December 31, 1973 and 1972 and the results of their operations and changes in financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Haskins & Sells

Columbus, Ohio
January 22, 1974

Consolidated Ten Year Financial Summary

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Financial Results (in thousands)	1973	1972	1971	1970	1969
Operating income	\$186,993	\$141,282	\$119,267	\$107,665	\$94,676
Operating expense	166,118	119,689	101,441	87,627	74,478
Income tax on operating income	1,982	3,126	2,200	3,671	4,534
Income before securities gains (losses)	18,893	18,467	15,626	16,367	15,664
Securities gains (losses) less related tax	(138)	1,045	2,858	1,193	(303)
Net income	18,755	19,512	18,484	17,560	15,361
Loans	1,546,791	1,219,845	1,008,936	898,018	863,248
U.S. Treasury securities	418,558	539,759	514,543	264,092	182,929
Obligations of states and political subdivisions	461,016	324,414	309,684	301,987	295,210
Other securities	178,141	168,786	110,859	102,054	47,006
Total assets	3,080,657	2,617,100	2,258,505	1,908,868	1,722,493
Deposits	2,392,833	2,227,699	1,973,050	1,663,295	1,459,881
Reserve for possible loan losses	24,958	21,093	19,691	18,935	18,755
Shareholders' equity	186,435	176,644	163,836	151,800	140,035
Earnings, Dividends and Shareholders' Equity (per share)					
Income before securities gains (losses)	2.62	2.56	2.18	2.29	2.19
Net income	2.60	2.71	2.58	2.46	2.15
Cash dividends96	.92	.88	.85	.82
Stock dividends	4%	4%	4%	4%	4%
Shareholders' equity	25.83	24.47	22.83	21.23	19.59
Miscellaneous					
Number of employees	4,516	3,931	3,589	3,464	2,718
Number of banking offices	182	151	131	124	95
Number of banks	37	32	28	26	22
Number of shareholders	13,545	12,797	11,843	11,385	9,254

Dollar amounts in the consolidated ten-year financial summary have been restated to include pooled companies for all years.

The accrual method of accounting was adopted in 1967. Amounts as reported for prior years have not been restated. This change did not have a significant effect on net operating income or capital and surplus in the year of change.

1968	1967	1966	1965	1964
\$82,514	\$73,911	\$63,771	\$55,010	\$50,245
63,830	56,262	47,153	40,611	34,633
4,332	4,478	4,829	4,437	5,720
14,352	13,171	11,789	9,962	9,892
(693)	325	(574)	(463)	(475)
13,659	13,496	11,215	9,499	9,417
795,867	703,379	689,651	607,772	508,789
227,099	260,383	187,787	214,681	228,017
294,378	257,510	219,502	199,452	157,251
89,418	47,895	44,343	30,885	32,610
1,643,836	1,533,448	1,363,311	1,266,162	1,134,646
1,445,062	1,330,744	1,192,801	1,112,312	1,005,382
17,377	15,833	14,512	12,101	10,304
130,197	122,001	109,179	103,308	93,269
2.01	1.85	1.66	1.42	1.41
1.92	1.89	1.57	1.35	1.34
.79	.65	.57	.51	.47
4%	4%	4%	—	6%
18.28	17.13	15.33	14.51	13.26
2,347	2,257	2,157	2,062	2,014
88	86	81	78	71
22	23	23	23	22
8,736	8,227	7,750	7,117	6,764

Per share amounts of consolidated income are based on average shares outstanding during each year. All per share amounts are adjusted to reflect the 3 for 1 stock split effective January 4, 1966 and stock dividends.



Above
Adena, the home and estate in Chillicothe of Ohio's first Senator and sixth Governor, Thomas Worthington.



Below
Donn Piatt built the Piatt Castles, Mac-A-Cheek and Mac-O-Chee, outside Bellefontaine in the early 1800's.

Affiliate Banks

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			ASSETS	DEPOSITS	LOANS	CAPITAL FUNDS
1	The Ohio National Bank of Columbus Walter C. Mercer, <i>President and Chief Executive Officer</i> 36 Offices	1973 1972	1,291,582,592 1,160,159,751	1,024,173,322 967,230,713	594,280,355 516,220,677	83,981,849 80,949,459
2	Akron National Bank and Trust Company Vincent H. Johnson, <i>Chairman of the Board and Chief Executive Officer</i> 18 Offices	1973 1972	330,569,089 327,751,594	265,101,333 283,080,905	207,945,144 180,666,891	22,389,749 19,301,517
3	The Logan County Bank, Bellefontaine Charles M. Welsh, <i>Executive Vice President</i> 3 Offices	1973 1972	16,675,281 15,415,679	11,772,066 13,780,311	6,160,104 5,617,592	1,280,456 1,096,334
4	The First National Bank of Cadiz Kenneth C. Cramblett, <i>President</i> 1 Office	1973 1972	23,903,964 20,081,375	15,676,920 18,005,167	10,040,397 7,116,171	1,320,775 1,218,836
5	The Central National Bank of Cambridge Williard Patton, <i>President</i> 5 Offices	1973 1972	43,348,961 36,449,504	33,404,263 32,966,600	18,232,717 13,196,276	2,527,432 2,304,494
6	The Cummings Bank Company, Carrollton* E. E. Surbey, <i>Executive Vice President</i> 3 Offices	1973 1972	16,364,634 14,503,301	15,345,920 13,598,242	10,366,288 9,238,204	1,018,714 905,059
7	The First National Bank of Chillicothe Cornell C. Hunter, <i>President</i> 4 Offices	1973 1972	60,913,068 47,569,972	45,295,485 43,000,070	24,616,174 17,824,493	3,312,111 3,077,752
8	The Second National Bank of Circleville Earl W. Palm, <i>President</i> 2 Offices	1973 1972	18,680,893 18,075,512	14,248,302 16,065,843	9,465,412 7,663,635	1,078,174 997,123
9	The Capital National Bank, Cleveland Frank B. Fisher, <i>President</i> 12 Offices	1973 1972	133,889,628 148,242,623	113,671,199 132,840,595	76,678,357 77,463,020	10,012,353 7,625,808
10	The Ohio State Bank, Columbus Frank W. Kelley, <i>President</i> 16 Offices	1973 1972	119,531,255 105,017,397	92,035,640 92,444,202	64,755,069 52,613,771	9,010,766 8,524,572
11	First National Bank of Coshocton Charles H. Edmund, <i>President</i> 2 Offices	1973 1972	58,492,259 52,563,785	46,382,888 46,543,755	30,482,283 23,550,531	3,671,013 3,439,369
12	The First National Bank of Delaware Kenneth E. Snyder, <i>President</i> 4 Offices	1973 1972	54,907,308 43,174,041	38,597,637 38,604,956	27,462,647 22,078,228	2,855,601 2,624,678
13	The Peoples Savings Bank Co., Delta L. M. Bratton, <i>Executive Vice President</i> 2 Offices	1973 1972	18,854,360 12,269,347	16,752,316 10,847,426	9,534,899 5,824,638	1,474,937 1,015,790
14	The First National Bank at East Palestine Robert M. Cole, <i>President</i> 3 Offices	1973 1972	18,296,013 15,159,665	12,145,533 13,786,346	9,007,166 5,457,134	991,398 969,037
15	The Peoples National Bank of Greenfield William M. Rowe, <i>President</i> 3 Offices	1973 1972	21,793,435 18,226,545	17,477,007 16,680,964	9,072,496 8,701,879	1,258,722 1,110,000
16	The Citizens National Bank of Ironton Dr. G. M. Wileman, <i>Chairman of the Board and President</i> 3 Offices	1973 1972	24,568,088 22,145,753	21,905,276 19,895,035	13,675,546 12,890,280	1,653,012 1,432,873
17	The First National Bank of Jackson Daniel E. Washam, <i>President</i> 2 Offices	1973 1972	43,421,154 37,387,024	33,597,663 33,060,312	19,319,980 15,345,192	2,815,920 2,630,024
18	The Kenton Savings Bank, Kenton George K. Logan, Jr., <i>President</i> 4 Offices	1973 1972	25,509,709 21,384,502	18,563,512 18,766,357	11,177,218 8,977,570	1,440,939 1,303,855
19	The Hocking Valley National Bank of Lancaster Joseph M. Hartman, <i>President</i> 4 Offices	1973 1972	46,257,483 40,250,660	36,573,070 35,596,752	25,753,548 21,147,990	2,604,396 2,427,219
20	The Farmers and Merchants Bank of Logan Ralph O. Moorehead, <i>President</i> 2 Offices	1973 1972	27,081,122 25,442,663	19,309,034 20,861,457	17,091,719 14,180,939	1,770,887 1,730,899

			ASSETS	DEPOSITS	LOANS	CAPITAL FUNDS
21	The First National Bank of London Jack Phillips, <i>President</i> 1 Office	1973 1972	27,063,772 20,678,351	17,819,015 18,562,462	9,638,865 7,630,621	1,456,851 1,332,839
22	Citizensbank, National Association, Loveland R. Duane Lillibridge, <i>President</i> 5 Offices	1973 1972	12,246,149 7,698,205	10,377,116 6,329,833	7,905,629 4,182,294	1,310,206 478,961
23	The First National Bank of Marysville Gerald E. Dackin, <i>President</i> 2 Offices	1973 1972	31,563,823 26,437,214	22,199,513 23,581,575	16,484,713 12,661,074	1,687,537 1,548,958
24	The Ohio State Bank of Medina* James M. Frisk, <i>President</i>		To be opened early in 1974			
25	The Adams Bank, Millersburg Richard B. Cary, <i>President</i> 1 Office	1973 1972	19,760,333 17,545,973	13,720,398 15,930,415	9,846,650 8,475,784	1,314,326 1,160,709
26	The Knox County Savings Bank, Mount Vernon Rex C. Hostettler, <i>President</i> 2 Offices	1973 1972	30,429,149 24,478,432	21,122,264 21,207,734	17,091,140 11,518,438	1,878,102 1,741,289
27	The Community Bank, Napoleon William Merz, <i>President</i> 2 Offices	1973 1972	27,249,491 26,847,873	20,181,582 23,601,270	11,828,573 11,696,791	2,293,774 2,285,325
28	The First National Bank of Newark Donald E. Jacoby, <i>President</i> 8 Offices	1973 1972	77,644,058 67,533,154	62,161,947 59,461,983	49,595,753 38,601,507	4,787,122 4,676,073
29	The Perry County Bank, New Lexington Lester G. Essington, <i>President</i> 2 Offices	1973 1972	24,138,408 19,162,208	16,569,358 17,109,415	10,398,368 7,670,279	1,390,465 1,277,195
30	The Ohio Savings and Trust Company, New Philadelphia David B. Abbuhl, <i>President</i> 3 Offices	1973 1972	37,194,050 30,946,629	27,041,855 27,863,308	24,631,447 17,327,527	2,224,712 2,199,748
31	The Niles Bank Company, Niles James H. Berline, <i>President</i> 4 Offices	1973 1972	46,240,871 35,963,577	35,468,611 31,989,190	20,010,674 16,181,830	3,047,355 2,703,068
32	The Citizens Banking Company, Perrysburg Harold H. Goeke, <i>President</i> 2 Offices	1973 1972	21,466,992 19,386,304	15,306,699 17,668,914	7,934,406 6,053,748	1,493,129 1,374,672
33	The National Bank of Portsmouth R. Vernon Miller, <i>President</i> 4 Offices	1973 1972	44,120,189 37,330,976	33,978,686 32,800,990	23,491,335 18,154,198	2,602,189 2,372,354
34	The Western Security Bank, Sandusky Donald C. Hoenstine, <i>President</i> 3 Offices	1973 1972	57,913,402 51,478,233	50,402,103 45,988,734	31,515,491 29,603,845	4,377,774 4,041,645
35	The First National Bank of Springfield Donald J. Bishop, <i>President</i> 6 Offices	1973 1972	98,592,319 92,030,289	76,075,481 81,024,039	58,051,307 49,820,975	6,437,613 6,216,755
36	First National Bank of Tiffin Kenneth H. Myers, <i>President</i> 2 Offices	1973 1972	31,260,397 26,957,557	23,017,691 24,440,441	12,361,319 11,625,108	1,754,869 1,605,777
37	The Ohio State Bank of Vandalia* C. Richard Ross, <i>President</i> 2 Offices	1973 1972	9,115,029 7,846,007	7,918,916 6,772,958	6,007,666 5,352,390	766,290 715,373
38	The First National Bank of Washington Court House Albert R. Bryant, <i>President</i> 3 Offices	1973 1972	26,533,225 23,204,332	20,073,235 21,083,549	9,754,636 8,123,642	1,600,236 1,452,384
39	The First National Bank of Wilmington Robert H. Olinger, <i>President</i> 3 Offices	1973 1972	22,085,324 20,120,198	16,146,580 18,030,730	13,096,788 10,323,326	1,283,355 1,180,128
40	The Citizens National Bank in Zanesville Charles B. Moody, <i>President</i> 3 Offices	1973 1972	56,265,967 46,494,319	43,311,347 40,495,001	27,734,695 22,339,703	3,963,351 3,600,020

*Affiliated in January 1974





BOARD OF DIRECTORS

JOHN L. BURGOON
Senior Vice President
and Secretary of the Corporation

JOHN M. CAREN
Attorney

JOHN B. GERLACH*
President of Lancaster
Colony Corporation

VINCENT H. JOHNSON
Chairman and Chief Executive Officer
of Akron National Bank and Trust
Company

GEORGE M. KAUFFMAN
President of
Kauffman-Lattimer Company

WILLIAM E. MacDONALD*
Vice President of
Ohio Bell Telephone Company

WALTER C. MERCER
President and Chief Executive Officer
of The Ohio National Bank of Columbus

HENRY M. O'NEILL, JR.
President and Chairman of the
Board of Beverage Management, Inc.

PHILIP F. SEARLE
President and Chief Executive
Officer of the Corporation

RALPH J. STOLLE
President of Stolle Corporation
and President of Ralph J. Stolle Co.

EDGAR T. WOLFE, JR.
Chairman of the Board and Publisher
of The Dispatch Printing Company

PRESTON WOLFE
Director of The Dispatch Printing
Company

*Elected January 23, 1974

OFFICERS**EXECUTIVE OFFICE**

Philip F. Searle
President and Chief Executive Officer

**OPERATIONS AND
ADMINISTRATION**

John L. Burgoon
Senior Vice President and Secretary

Robert F. Weber
Vice President

Shirley I. Brightwell
Assistant Treasurer

ACCOUNTING AND AUDITING

Dan Huffer
Treasurer

Accounting

Philip A. Goldslager
Comptroller

Auditing

Peter D. Webster
Auditor

Richard Adcock
Assistant Auditor

James Murphy
Assistant Auditor

Accrual

Delbert Johnson
Staff Officer

*BUILDING AND PROPERTY
MANAGEMENT*

Larry Wesney
Assistant Vice President

DATA PROCESSING

Ralph L. Hughes
Vice President and Director of Data
Processing

OPERATIONS LIAISON

Lester Vincent
Assistant Vice President

O. J. Iacoboni
Operations Officer

PERSONNEL

Harold M. Haas
Assistant Vice President

Ronald Barienbrock
Personnel Officer

David Connolly
Personnel Officer

INVESTMENT DEPARTMENT

Alan D. Johnson
Vice President

Richard Brigden
Assistant Vice President

Jon Corzine
Assistant Vice President

CREDIT SERVICES DEPARTMENT

James C. Hoover
Vice President

AFFILIATE LIAISON

William N. Dearth
Vice President

John Tavener
Vice President

James R. Anspaugh
Assistant Vice President

George Apelian
Assistant Vice President

W. Alex Cook
Assistant Vice President

James V. Strickland
Loan Officer

CONSUMER LOAN COORDINATION

C. Wade Terry
Vice President

CREDIT ANALYSIS

Gary Estep
Assistant Vice President

**CORPORATE DEVELOPMENT
AND PLANNING**

Ken K. Feintheil
Vice President

T. E. Penning
Vice President

LEASING

Edward W. Miller, Jr.
Assistant Vice President

LEGAL AND REGULATORY

Robert M. Edwards
Vice President and Assistant Secretary

**MARKETING AND BUSINESS
DEVELOPMENT**

James W. Wentling
Vice President and Director of
Marketing

L. Gerald Jackson
Marketing Officer

Dennis J. Miller
Staff Officer and Director
of Sales Training

BancOhio Corporation

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Columbus, Ohio 43216